



# **Fiscal Years 2016 – 2021 Outlook Preliminary Six-Year Financial Plan Strategies for the Six-Year Improvement Program**

John Lawson, CFO VDOT

Steve Pittard, CFO DRPT

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# Presentation Outline

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- ❖ **Overview**
- ❖ **Transition Period**
- ❖ **Implementation of HB 1887**
- ❖ **Sources of Transportation Funding**
- ❖ **Distribution of Transportation Funding**
- ❖ **Strategies for the FY 2016 – 2017 Six-Year Improvement Program**
- ❖ **Schedule**

# Overview

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**The Virginia Department of Transportation (VDOT) develops a rolling Six-Year Financial Plan (SYFP) annually to reflect the sources and uses of transportation revenues**

**The SYFP is based on official revenue estimates and supports the policy and operational objectives established by the CTB, the Secretary of Transportation and the respective agency heads**

**The funding available for each program is identified and becomes the basis for the annual budgets and the Six-Year Improvement Program**

# Overview

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**The Six-Year Improvement Program (SYIP) identifies the planned use of funds available for highway construction and rail and public transportation**

**The SYIP is developed annually, as required by the Code of Virginia, and covers a rolling six-year period**

**For highway construction, the SYIP identifies for each project, the timing, amount, and type of funding planned to be available over the upcoming six-years**

**The rail and transit section of the SYIP identifies the planned use of available funding for transit and rail capital for six years, as well as the planned support for transit operations and other programs administered by DRPT for the next year**

# Time of Transition

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## The FY 2016 – 2021 SYFP and SYIP

- Continues the transition to the prioritization methodology required by HB 2 of 2014 ( § 33.2-214.1., *Code of Virginia*)
- Begins the transition to the new revenue distributions and construction formula distributions included in HB 1887 of 2015 (as engrossed)

**HB 2 will be implemented in FY 2017**

**HB 1887 will be fully implemented in FY 2021**

# HB 1887 of 2015 (as Enrolled)

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## Key Provisions included:

- **Increasing independence of the Commonwealth Transportation Board**
- **Addressing transit capital funding**
- **Dedicating funding for the State of Good Repair of highway transportation infrastructure**
- **Providing local governments with transportation funds**

# HB 1887 of 2015 (as Enrolled)

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**HB 1887 does not create additional transportation revenues**

**It builds on the new revenues generated by HB 2313 in 2013 by changing the distribution of existing revenues**

- **Updates the distribution of the Sales Tax on Fuel beginning in Fiscal Year 2017 to increase transit funding by reducing the amount available for allocation to the modes**
- **Redirects the Recordation Tax currently dedicated to the Highway Maintenance and Operating Fund to the Commonwealth Transit Capital Fund beginning in FY 2017**
- **Provides a portion of the Motor Vehicle Rental Tax that is currently dedicated to the Rail Enhancement Fund to highway construction for state of good repair purposes in FY 2017**

# HB 1887 of 2015 (as Enrolled)

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**Dedicates the interest, dividends and appreciation of the Transportation Trust Fund from the Toll Facilities Revolving Account:**

- 2/3 to the Virginia Transportation Infrastructure Bank
- 1/3 to the Transportation Partnership Opportunity Fund

**Implements a new highway construction formula in FY 2021 that focuses on:**

- State of Good Repair
- High-Priority Projects – statewide
- Highway Construction District Grant Programs

# Transportation Funding

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**The FY 2016 – 2021 SYFP recognizes \$32.9 billion of forecasted dedicated transportation revenues and other funding sources**

**Funding is provided from:**

- **State Taxes and Fees**
- **Regional State Taxes and Fees (HB 2313 (2014))**
- **Federal Apportionments**
- **Proceeds from the issuance of bonds**

**The funding is directed to specific Funds and Programs by the *Code of Virginia***

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# Transportation Funding State Revenues

**Commonwealth Transportation Fund (CTF) is the umbrella fund the receives all transportation revenues**

**State taxes and fees represent approximately 60 percent of the total funding identified for FY 2016 – 2021**

Major Sources	Estimate (in billions)	Percent of State/Total
Retail Sales and Use	\$6.7	20%
Motor Fuels Tax	5.3	16%
Motor Vehicle Sales and Use	5.2	16%
Motor Vehicle Registrations	1.5	5%
Insurance Premiums	1.1	3%

# Transportation Funding Federal Revenues

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**Federal revenues are received from the Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and Federal Railroad Administration (FRA)**

**Federal revenues represent 17 percent of the total funding identified for FY 2016 – 2021**

- 35 percent of planned construction allocations
- 15 percent of planned VDOT maintenance allocations
- 9 percent of planned transit allocations

**The federal funding is apportioned to Virginia and is provided through numerous programs**

**Federal funding is collected on a reimbursement basis for eligible cost incurred on federally authorized projects**

# Federal Outlook

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**Not predicting any growth in federal revenues**

**Continued monitoring of Congressional activity on  
Transportation Funding**

- **Existing Highway Trust Fund legislation expires May 31, 2015.**
- **Congressional inaction by this date will lead to a HTF deficit and reduced reimbursements to the states.**
- **State funding is not sufficient to support commitments made with federal obligations for a long period of time.**

# Transportation Funding Bond Programs

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In addition to revenues from state and federal sources, the CTB has been authorized to issue bonds under several statutory programs

Total outstanding debt as of December 31, 2014 is \$3.16 billion

Bond Program	Authorized
GARVEEs	\$1.2 billion
CPR	\$3.18 billion
Route 58	\$1.3 billion
Northern Virginia Transportation District	\$500.2 million

\$1.7 billion of bonds are anticipated to be issued during the upcoming six-years representing 5 percent of total funding

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# Transportation Funding Regional Revenues

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The CTF revenue forecast includes the state transportation revenues generated by HB 2313 of 2013 that are dedicated to the regions

## Northern Virginia Transportation Fund

- **Managed by NVTA**
- **Revenue sources:**
  - 0.7% local sales tax
  - Regional congestion relief fee - \$0.15 per \$100
  - Northern Virginia transient occupancy tax – 2%

## Hampton Roads Transportation Fund

- **Managed by HRTAC**
- **Revenue sources:**
  - 0.7% local sales tax
  - 2.1% Sales Tax on Fuel (No established floor for fuel price like statewide revenue)

# Preliminary CTF Revenue Forecast FY 2016 – 2021

	2016	2017	2018	2019	2020	2021	Total	Revised FY 2015-2020	Difference
<b>State Transportation Revenues</b>									
HMO	\$ 1,900.6	\$ 1,927.0	\$ 1,951.0	\$ 1,988.2	\$ 2,017.2	\$ 2,040.3	\$ 11,824.3	\$ 11,805.7	\$ 18.6
TTF net interest	1,157.2	1,189.8	1,224.2	1,260.7	1,294.9	1,326.7	7,453.5	7,164.2	289.3
PTF (From TTF)	190.9	197.1	205.4	214.7	223.0	231.0	1,262.1	1,211.3	50.8
Regional Transportation Funds	483.5	492.6	508.3	523.6	539.1	553.4	3,100.5	3,117.2	(16.7)
Local and Other Revenues	446.0	360.3	313.3	316.1	267.9	269.2	1,972.8	2,182.0	(209.2)
<b>Total</b>	<b><u>4,178.2</u></b>	<b><u>4,166.8</u></b>	<b><u>4,202.2</u></b>	<b><u>4,303.3</u></b>	<b><u>4,342.1</u></b>	<b><u>4,420.6</u></b>	<b><u>25,613.2</u></b>	<b><u>25,480.4</u></b>	<b><u>132.8</u></b>
<b>Federal Revenues</b>	<b><u>930.2</u></b>	<b><u>925.1</u></b>	<b><u>925.1</u></b>	<b><u>925.1</u></b>	<b><u>925.1</u></b>	<b><u>925.1</u></b>	<b><u>5,555.6</u></b>	<b><u>5,583.3</u></b>	<b><u>(27.7)</u></b>
<b>Total Revenues</b>	<b><u>5,108.4</u></b>	<b><u>5,091.9</u></b>	<b><u>5,127.3</u></b>	<b><u>5,228.4</u></b>	<b><u>5,267.1</u></b>	<b><u>5,345.7</u></b>	<b><u>31,168.8</u></b>	<b><u>31,063.7</u></b>	<b><u>105.1</u></b>
<b>Other Financing Sources</b>									
GARVEE Bonds	375.0	225.2	120.0	90.0	-	-	810.2	840.2	(30.0)
Capital Improvement Bonds	122.9	122.9	122.9	61.6	50.0	-	480.3	603.2	(122.9)
Route 58	-	-	-	-	400.0	-	400.0	-	400.0
<b>Total</b>	<b><u>497.9</u></b>	<b><u>348.1</u></b>	<b><u>242.9</u></b>	<b><u>151.6</u></b>	<b><u>450.0</u></b>	<b><u>-</u></b>	<b><u>1,690.6</u></b>	<b><u>1,443.5</u></b>	<b><u>247.1</u></b>
<b>Total Revenues and Other Financing Sources</b>	<b><u>\$ 5,606.3</u></b>	<b><u>\$ 5,440.0</u></b>	<b><u>\$ 5,370.2</u></b>	<b><u>\$ 5,380.0</u></b>	<b><u>\$ 5,717.1</u></b>	<b><u>\$ 5,345.7</u></b>	<b><u>\$ 32,859.4</u></b>	<b><u>\$ 32,507.1</u></b>	<b><u>\$ 352.2</u></b>

# Revenue Changes

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- **Updates reflect reduction of \$165 million in state revenues available for during the FY 2015 – 2020 period.**
  - **Additional reduction of \$115 million are anticipated for the dedicated regional revenues over the same period.**
- **Addition of estimated Route 58 Bond Issuance in FY 2020 – To be sized based on project readiness**
- **Planned reduction in CPR Bonds during period as the end of the authorization approaches**

# CTF Forecasted Revenues by Agency FY 2016 - 2021

(in millions)

Revenue	VDOT	DRPT	VPA	DOAV	Total
State	\$22,891	\$2,311	\$263	\$148	\$25,613
Federal	5,196	359	-	-	5,556
Other	1,240	480	-	-	1,721
<b>Total</b>	<b>\$29,190</b>	<b>\$3,150</b>	<b>\$263</b>	<b>\$148</b>	<b>\$32,889</b>

- Reflects the redirection of \$153 million net to DRPT from the other modes as directed by HB 1887 over the six-year period
- VDOT amounts include highway funding that may be programmed to transit and rail projects in the SYIP process

# Major Funds

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## Transportation operates under two major Funds:

- Highway Maintenance and Operating Fund – VDOT
- Transportation Trust Fund – Modal Distributions
  - Highway Construction
  - Mass Transit
  - Port
  - Aviation

## Other funds used to fund special programs

- Priority Transportation Fund
- Intercity Passenger Rail Fund
- Rail Enhancement Fund

# Preliminary Allocations FY 2016 – 2021

	2016	2017	2018	2019	2020	2021	Total	Revised 2015 - 2020 SYFP	Difference
Debt Service	\$ 359.3	\$ 401.3	\$ 431.3	\$ 444.5	\$ 463.3	\$ 467.0	\$ 2,566.6	\$ 2,492.4	\$ 74.2
Other Agencies & Transfers	67.5	62.5	63.9	49.2	50.1	51.3	344.5	376.4	(31.9)
Maintenance & Operations	1,983.6	2,027.7	2,062.4	2,099.7	2,139.7	2,182.4	12,495.6	12,296.9	198.7
Tolls, Administration & Other Programs	420.3	427.2	435.6	444.4	453.2	462.5	2,643.3	2,743.3	(100.0)
Rail and Public Transportation <sup>1</sup>									
Public Transportation	418.9	454.6	462.2	421.7	417.4	374.5	2,549.3	2,591.1	(41.7)
Rail Assistance	98.0	87.1	89.7	79.3	81.8	84.3	520.2	531.9	(11.7)
Other Programs and Administration	12.1	13.0	13.4	13.7	14.1	14.5	80.8	70.1	10.7
Port Trust Fund	42.9	41.5	42.7	44.1	45.4	46.5	263.1	256.3	6.8
Airport Trust Fund	24.3	23.4	24.1	24.8	25.5	26.1	148.3	145.1	3.2
Northern Virginia Transportation Authority Fund	314.9	316.4	326.7	336.2	345.7	355.1	1,995.0	1,963.4	31.6
Hampton Roads Transportation Fund	168.6	176.2	181.6	187.4	193.4	198.3	1,105.5	1,153.8	(48.2)
Construction <sup>1</sup>	1,695.8	1,409.1	1,236.5	1,234.9	1,487.5	1,083.4	8,147.2	7,886.5	260.7
<b>Total</b>	<b>\$ 5,606.3</b>	<b>\$ 5,440.0</b>	<b>\$ 5,370.2</b>	<b>\$ 5,380.0</b>	<b>\$ 5,717.1</b>	<b>\$ 5,345.7</b>	<b>\$ 32,859.4</b>	<b>\$ 32,507.1</b>	<b>\$ 352.2</b>

<sup>1</sup> Allocations do not reflect SYIP funding for highways that may be programmed for rail and public transportation.

# Debt Service

## Debt Service

- **First priority**
- **Revenues are dedicated for the various debt programs**

Debt Program	Revenue source for Debt Service
GARVEEs	Federal Revenue
CPR	Priority Transportation Fund – Insurance Premiums, 4% of Sales Tax on Fuel
Route 58	General Fund Support representative of Recordation Taxes, Construction Fund
NVTD	General Fund Support representative of Recordation Taxes, ROW fees from counties, local revenue

## Other Agencies and Transfers

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**Funding is provided to a number of other state agencies as directed by state law or the appropriation act**

- **Virginia Commercial Space Flight Authority**  
\$15.8 million annually
- **Department of Motor Vehicles - \$81.4 million**
- **Department of State Police - \$53.8 million**
- **Chesapeake Bay Initiatives, General Fund Transfer – \$44.5 million**
- **Department of Taxation - \$18.1 million**

# Maintenance

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## **VDOT**

- **Maintenance and Operations funding is planned at \$1.6 billion in FY 2016 and \$9.8 billion over the six years**
- **Growth is based on the Producer Price Index**

## **Financial Assistance to Localities**

- **Preliminary allocations for Financial Assistance to the Cities is \$360 million in FY 2016 and \$2.3 billion over the six years**
- **Preliminary allocations for Financial Assistance to the Counties of Arlington and Henrico is \$64 million in FY 2016 and \$404 million over the six years**

## **Combined, \$12.5 billion is designated for maintenance**

- **\$1.4 billion from federal funds**
- **\$1.2 billion from highway construction funds - crossover**

# Administration and Other Programs

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**This program category includes:**

- **Management and direction - \$976 million**
- **Computer services - \$571 million**
- **Planning and research and environmental program - \$489 million**
- **Capital Outlay and Physical plant - \$346 million**
- **Toll facility operations - \$187 million**
- **Employee training and development - \$97 million**

**Planned allocations for FY 2016 and beyond reflect reductions of 7% across most administrative program areas**

**Include adjustments to reflect funding needed for state salary actions effective August 10, 2015**

**Allocations over the six-years total \$2.6 billion**

# Transportation Trust Fund Modal Distributions

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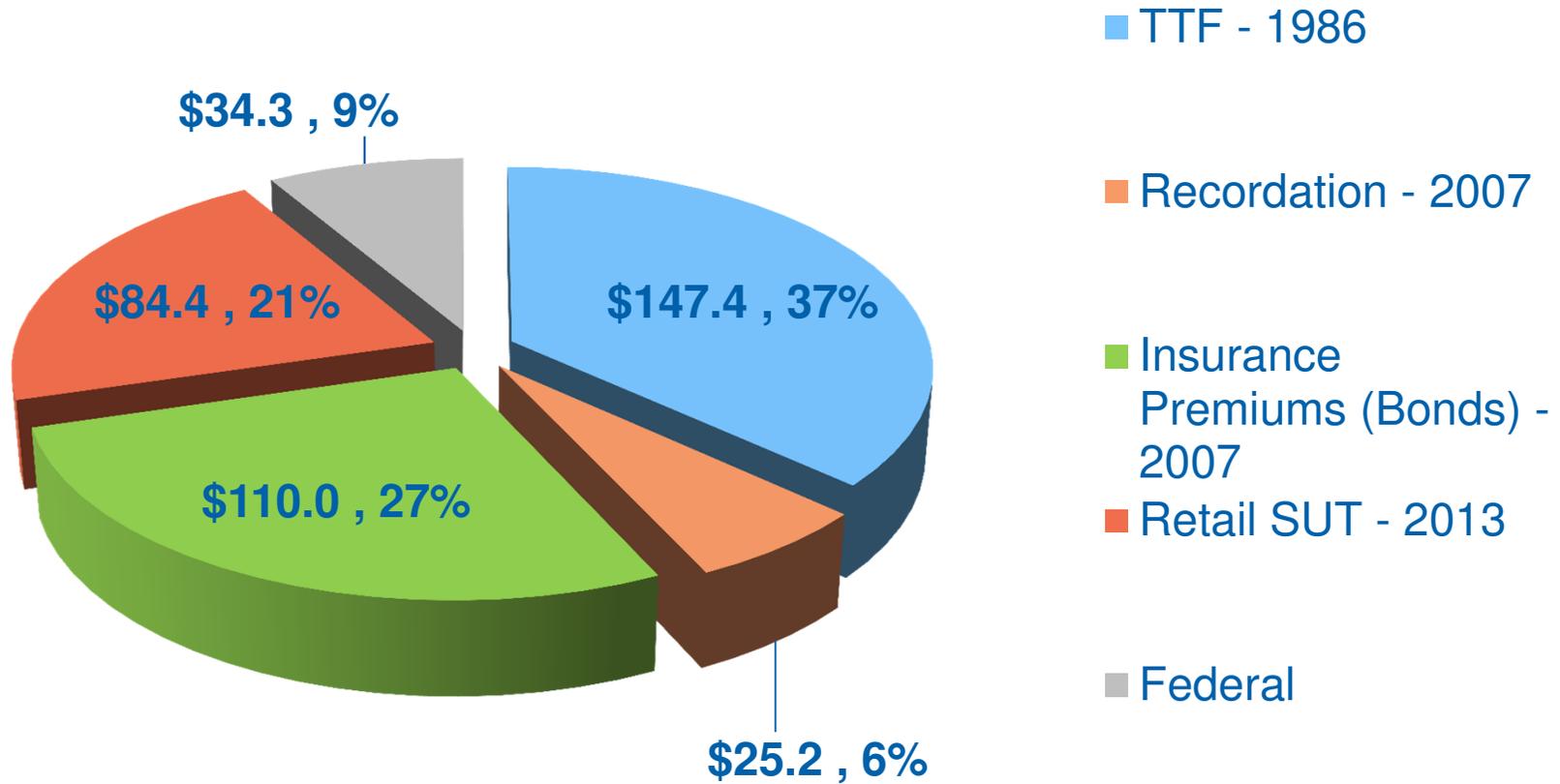
**1986 Special Session established the TTF and the distribution among the modes and within the modes**

**The TTF revenues not otherwise directed are distributed as follows:**

- **78.7 percent for highway construction - \$4.8 billion**
- **14.7 percent to mass transit capital and operations – \$900.9 million**
- **4.2 percent to the Port Fund for debt service, capital improvements and construction - \$257.4 million**
- **2.4 percent to the Aviation Fund for debt service, capital improvements and construction - \$147.1 million**

# FY 2016 Transit Program

\$ in millions



# Transportation Trust Fund 1986 Session

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- **14.7% to the Mass Transit Trust Fund (MTTF) - § 58.1-638.A.**
  - **Minimum of 72% to transit operations**
  - **Up to 3% for transit special programs**
  - **25% for transit capital projects**

# Recordation Taxes

## 2007 / 2015 Session

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- **Tax on recording real estate transactions**
- **\$0.02 of the state recordation tax to the MTTF [\$0.25 per \$100 of value is the total recordation tax]; dedicated to transit operating assistance ( § 58.1-815.4. )**
- **In 2015 (HB1887), additional \$0.01 redirected from HMOF to transit capital beginning in FY 2017 (\$12.7 million)**

# Transportation Capital Projects Revenue (CPR) Bonds – 2007 Session

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- **Total bond authorization \$3.0 billion ( § 33.2-365)**
- **1/3 of gross insurance premiums tax (2.25%) deposited into the Priority Transportation Fund to provide a revenue stream for the CPR bonds - § 58.1-2531**
- **A minimum of 20% of the bond proceeds for transit capital consistent with subdivision A 4 c of § 58.1-638 - the Mass Transit Capital Fund**
- **DRPT/CTB elected to receive over ten years - \$60 million per year**
- **Other uses of the bonds include: match to federal funds, revenue sharing funding, statewide or regional projects**
  - **\$50 million a year for 10 years to match WMATA PRIIA federal funds**
  - **Dulles Metrorail also received bond funds from regional projects category**

# Retail Sales and Use Tax 2013 Session

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- **0.075% of the general retail sales and use tax to the MTTF ( § 58.1-638.3.)**
  - **Minimum of 72% to transit operations**
  - **Up to 3% for transit special programs**
  - **25% for transit capital projects**

# Motor Vehicle Fuel Tax 2015 Session

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- **3.11% of revenues dedicated to transit capital (\$27 million)**
- **0.35% of revenues dedicated to transit operations (\$3 million)**
- **0.24% of revenues dedicated to transit special programs (\$2 million)**
- **§ 58.1-2289 – FY 2017 Implementation**

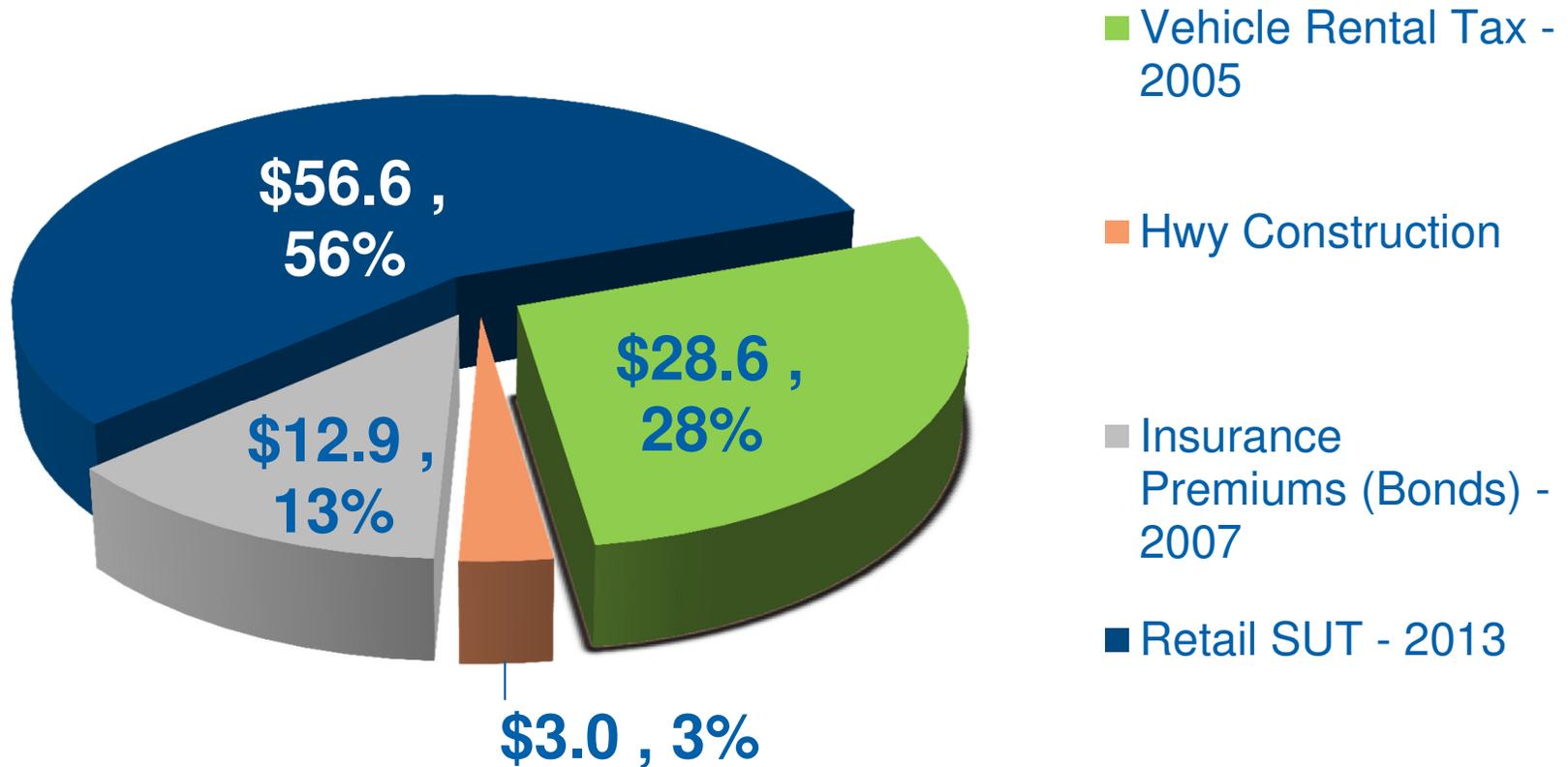
# FTA Revenue Sources

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- **Approximately \$25 million a year of flexible STP funds (CTB discretion)**
- **Approximately \$34 million a year from the various FTA programs**
  - **FTA 5311 program for rural providers and the FTA 5307 Governor's Apportionment program for small urban providers**

# FY 2016 Rail Program

\$ in millions



# Vehicle Rental Tax 2005 Session

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- **3% of the 10% total of tax charged on vehicle rentals ( § 58.1-2402.) dedicated to the Rail Enhancement fund**
- **1% will be redirected to the TTF for roadway state of good repair beginning in FY 2017 based on HB1887**
- **§ 33.2-1601. Created to fund freight and passenger rail projects**

# Transportation Capital Projects Revenue (CPR) Bonds – 2007 Session

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- **A minimum of 4.3% of the bond proceeds for rail capital projects under the Rail Enhancement and Rail Preservations programs**
- **DRPT/CTB elected to receive this funding over ten years - \$12.9 million per year**
- **The CPR authorization directed to highways and high priority projects was accelerated**
  - 75.7 percent of the \$3 billion
  - Fully allocated by FY 2020

# Retail Sales and Use Tax 2013 Session

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- **0.05% of the general retail sales and use tax dedicated to the Intercity Passenger Rail Operating and Capital fund (IPROC) ( § 58.1-638.3.)**
  
- **§ 33.2-1603. Created intercity passenger rail service fund in 2011**

# Highway Construction

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**VDOT's construction program is largely funded by the highway share of the modal distributions**

**Other funding is dedicated to construction**

- **Federal funds**
- **GARVEEs**
- **Telecommunication fees**
- **Local Contributions for Project Participation**

# Highway Construction Special Programs

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**A number of special programs are funded outside of the construction formula**

- Restricted Federal Programs and Federal Match
- Revenue Sharing
- Bond Programs
- MWAA commitment in FY 2016

**The special programs are either established in state or federal law**

# Highway Construction Revenue Sharing

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**The Revenue Sharing program makes funding available to localities for construction and maintenance projects, provided the locality provides at least 50 percent of the funding for the project**

**The Code stipulates that the funding shall be no less than \$15 million and no more than \$200 million in each fiscal year**

**Recommend reducing the Program over the six-year period to increase funding for formula distribution**

- Will make additional amounts available for the construction formula distribution
- Increase the amount available for HB 2 prioritization through the Statewide High Priority Program and the District Grant Programs

# Highway Construction Formula Distribution

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**The CTB formula is utilized through FY 2020**

- **25% Bridge**
- **25% High Priority Projects**
- **25% Interstate and Primary Pavements**
- **15% Public-Private Transportation Act Projects**
- **5% Unpaved roads**
- **5% to Smart Roadway Technology**

**CTB Formula amounts in the SYIP update limited to the amounts in the Revised FY 2015 – 2020 SYFP**

**FY 2016 will increase by \$42.3 million to offset reductions in FY 2017**

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# Highway Construction Formula Distribution

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**HB 1887 removes the 40-30-30 formula put in place in by the 1986 Special Session legislation**

**New construction formula established, effective  
FY 2021:**

- **State of Good Repair – 45 percent**
- **High-Priority Projects Program – 27.5 percent**
- **Highway Construction District Grant Programs – 27.5 percent**

**In the interim, funds not programed to projects are to be distributed 50/50 to the High-Priority Projects Program and Highway Construction District Grant Programs**

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# Highway Construction HB 1887

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## Of funds available for formula distribution:

- **State of Good Repair – 45 percent of funding available**
  - For reconstruction and replacement of structurally deficient state and locally owned bridges and reconstruction or rehabilitation of pavement on the Interstate System and primary system, including municipality-maintained primary extensions
  - Equitable needs-based distribution by construction district with no district received less than 5.5 percent of funds available and no district receiving more than 17.5 percent
  - Up to 20 percent of funding can be allocated to all districts to improve secondary pavements

# Highway Construction

## HB 1887

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- **High-Priority Projects Program – 27.5 percent of funding available**
    - Projects of regional or statewide significance
    - Evaluated according to House Bill 2 prioritization process
    - Allocate up to \$25 million of funds available to the Innovation and Technology Transportation Fund
  
  - **Highway Construction District Grant Programs – 27.5 percent of funding available**
    - Funds projects and strategies that address a need in the Statewide Transportation Plan
    - Solicit candidate projects and strategies from local governments for considerations in the applicable district's grant program – Evaluated according to House Bill 2 prioritization process
    - Funds available distributed via formula to the construction districts
      - Same formula as used for the current 40-30-30 system formula distribution. Total funds available for the Construction District.
    - Allocate up to \$25 million annually for Unpaved Roads
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# Preliminary Construction Program

(in millions)

	2016	2017	2018	2019	2020	2016-2020 Total	2021
<b>Special Programs</b>	<b>\$ 1,047.1</b>	<b>\$ 840.7</b>	<b>\$ 718.6</b>	<b>\$ 702.6</b>	<b>\$ 1,006.1</b>	<b>\$ 4,250.0</b>	<b>\$ 416.7</b>
<i>HB 2 Exempt</i>	1,047.1	822.8	700.4	665.6	945.4	4,116.2	416.7
<i>Reserved for HB 2</i>	-	17.9	18.2	37.0	60.7	133.8	-
<b>GARVEE Program</b>	<b>375.0</b>	<b>225.2</b>	<b>120.0</b>	<b>90.0</b>	<b>-</b>	<b>810.2</b>	<b>-</b>
<i>HB 2 Exempt</i>	351.4	178.0	86.0	54.7	-	670.1	-
<i>Reserved for HB 2</i>	23.6	47.2	34.0	35.3	-	140.1	-
<b>CTB Formula Distribution*</b>	<b>273.7</b>	<b>334.2</b>	<b>382.0</b>	<b>411.7</b>	<b>395.7</b>	<b>1,797.3</b>	<b>-</b>
<i>HB 2 Exempt</i>	271.9	326.1	375.1	389.8	292.2	1,655.1	-
<i>Reserved for HB 2</i>	1.8	8.1	6.9	21.9	103.5	142.2	-
<b>New Amount Available for 50/50 HB 1887 Distribution</b>	<b>-</b>	<b>-</b>	<b>6.7</b>	<b>21.2</b>	<b>76.1</b>	<b>104.0</b>	<b>-</b>
<b>State of Good Repair - Rental Tax</b>	<b>-</b>	<b>9.0</b>	<b>9.2</b>	<b>9.4</b>	<b>9.7</b>	<b>37.3</b>	<b>9.9</b>
<b>New Formula Distribution - HB 1887</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>656.8</b>
<b>Total Construction</b>	<b>\$ 1,695.8</b>	<b>\$ 1,409.1</b>	<b>\$ 1,236.5</b>	<b>\$ 1,234.9</b>	<b>\$ 1,487.5</b>	<b>\$ 7,063.8</b>	<b>\$ 1,083.4</b>

# Funds available for Construction in FY 2021

	Amount (in millions)
<b>Funds Available for Distribution</b>	<b>\$ 656.8</b>
45% for State of Good Repair	295.5
27.5% High Priority Projects	180.6
27.5% Highway Construction District Grant Program	180.6

## 45% for State of Good Repair

District	Percentage	Estimated Amount (in millions)
Bristol	11.7%	\$ 34.5
Culpeper	6.0%	17.7
Fredericksburg	12.1%	35.7
Hampton Roads	14.8%	43.7
Lynchburg	7.6%	22.4
Northern Virginia	10.6%	31.2
Richmond	17.4%	51.5
Salem	12.1%	35.7
Staunton	7.9%	23.2
<b>Total</b>	<b>100.0%</b>	<b>\$ 295.5</b>

## 27.5% District Grant Program

District	Percentage	Estimated Amount (in millions)
Bristol	7.0%	\$ 12.7
Culpeper	6.2%	11.2
Fredericksburg	6.9%	12.4
Hampton Roads	20.2%	36.4
Lynchburg	7.1%	12.9
Northern Virginia	20.7%	37.4
Richmond	14.4%	26.1
Salem	9.6%	17.4
Staunton	7.8%	14.1
<b>Total</b>	<b>100.0%</b>	<b>\$ 180.6</b>

*District shares are indicative and will be adjusted to reflect the needs and factors applicable in FY 2021*

# Six-Year Improvement Program (SYIP) FY 2016 – 2021

# Highway Priorities for FY 2016 – 2021 SYIP Update

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## Previous priorities:

- Fund deficits on underway project phases
- Fund underway project phases as well as project phases that start in the current federal fiscal year
- Fund deficient bridges and paving projects
- Allocate funds consistent with how they will be obligated and expended
- Maximize use of federal funds to meet federal strategy
- Redirect inactive balances on projects

# Highway Priorities for FY 2016 – 2021 SYIP Update

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## Recommended strategies:

- Continue transition to HB 2; not adding new projects subject to prioritization
- Support intent of the CTB formula through FY 2020; focus on deficient bridges and pavements
- Fund deficits on underway project phases
- Continue previous support for APD projects
- Redirect inactive balances on projects to minimize use of funds previously set aside for HB 2
- Strategically use federal funds to support full obligation of federal funding

# **SYIP for FY 2016 – 2021**

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**CTB Formula funds remain the same**

**Will delay project schedules and/or use available funds to address increases in cost estimates**

**Early implementation of Highway Construction District Grant Program and High-Priority Program**

- **Available funds will not be allocated to projects**
- **Projects will be selected through the HB 2 prioritization process and presented in the FY 2017 - 2022 SYIP**

# SYIP for FY 2016 – 2021

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## **New HB1887 Construction Formula in use for FY 2021**

- **45 percent State of Good Repair – funds will be allocated to projects using the required prioritization process**
- **27.5 percent High Priority Grant Program – funds will be allocated to projects using the HB2 prioritization process in the FY 2017 – 2022 SYIP**
- **27.5 percent Highway Construction District Grant Programs – funds will be allocated to using the HB2 prioritization process in the FY 2017 - 2022 SYIP**

# Transit Funds Available for SYIP by Program

(\$ in millions)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	TOTAL
<b>State</b>							
Operating	\$ 174.9	\$ 181.5	\$ 186.7	\$ 192.0	\$ 197.0	\$ 201.8	\$ 1,134.0
Capital	162.4	201.3	203.5	157.4	147.8	99.8	972.2
Special	6.3	8.4	8.7	8.9	9.1	9.4	50.8
Other	12.9	14.2	14.6	14.9	15.2	15.5	87.3
FY 14 Shortfall	11.8	-	-	-	-	-	11.8
<b>Total State</b>	<b>368.3</b>	<b>405.5</b>	<b>413.4</b>	<b>373.2</b>	<b>369.1</b>	<b>326.6</b>	<b>2,256.1</b>
<b>Federal</b>							
Operating	22.3	22.3	22.3	22.3	22.3	22.3	133.7
Capital	37.7	37.6	37.6	37.6	37.6	37.6	225.6
<b>Total Federal</b>	<b>60.0</b>	<b>59.9</b>	<b>59.9</b>	<b>59.9</b>	<b>59.9</b>	<b>59.9</b>	<b>359.3</b>
<b>Total Transit</b>	<b>\$ 428.3</b>	<b>\$ 465.4</b>	<b>\$ 473.3</b>	<b>\$ 433.0</b>	<b>\$ 429.0</b>	<b>\$ 386.4</b>	<b>\$ 2,615.5</b>

# Transit SYIP for FY 2016 – 2021

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- **Transit operations funded through a two step process**
  - **Traditional formula (share of total expense)**
  - **Performance based formula**
    - Net cost per rider (50%)
    - Customers per revenue hour (25%)
    - Customers per revenue mile (25%)
- **Maximize the use of federal funding**

# Transit SYIP for FY 2016 – 2021

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- **Capital program uses a tiered prioritization process**
  - **Tier 1 at 68% State Share**
    - Rolling stock for replacement or expansion and related items
  - **Tier 2 at 34% State Share**
    - Infrastructure and facilities
  - **Tier 3 at 17% State Share**
    - Support vehicles, shop equipment, spare parts, etc.

# Rail Funds Available for SYIP by Program

(\$ in millions)

	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>TOTAL</b>
Rail Enhancement	\$ 27.6	\$ 17.8	\$ 18.1	\$ 18.6	\$ 19.1	\$ 19.5	\$ 120.6
Rail Preservation	2.9	2.9	2.9	2.9	2.9	2.9	17.5
IPROC	54.6	53.5	55.8	57.8	59.8	61.9	343.3
Capital Bonds - Rail	12.9	12.9	12.9	-	-	-	38.7
Other	3.1	2.7	2.8	2.9	3.0	3.1	17.5
<b>Total</b>	<b>\$ 101.1</b>	<b>\$ 89.8</b>	<b>\$ 92.5</b>	<b>\$ 82.2</b>	<b>\$ 84.8</b>	<b>\$ 87.3</b>	<b>\$ 537.7</b>

## Rail SYIP for FY 2016 – 2021

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- **Discretionary awards based on analysis of applications**
- **Continue the development of passenger rail projects in key corridors**
- **Continue development of Shortline program**
- **Review of rail programs**

# DRPT Other Information

## SYIP for FY 2016 – 2021

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- **Six year capital allocation for transit**
- **State of good repair capital projects segregated from expansion projects**
- **Use of transit reserves and deobligated balances**
  - Operating funding down about 3% includes \$12 M loss carryover from FY 2014
  - Capital tier percentages
- **DRPT project management and administration – estimated at 3.5%**

# Tentative Schedule for the FY 2016 – 2021 SYIP Update

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## February – March 2015

- Priorities submitted – urban, bridge, paving, surface transportation plan, regional
- Financial information for SYIP available to begin programming funds
- Coordinate with MPOs on RSTP and CMAQ programming
- Other special fund categories programmed by program managers

## March – April 2015

- RSTP and other special fund programming complete

# Tentative Schedule for the FY 2016 – 2021 SYIP Update

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## April – May 2015

- Present draft SYIP to CTB
- Financial information for Final SYIP available
- Hold nine public hearings
- Adjust SYIP as necessary for final financial information and public hearing comments

## June 2015

- CTB presented FY 2016 Budgets for action
- CTB takes action on the FY 2016 – FY 2021 SYIP